

**Dave Johnson**  
**GM of Mid-Michigan Radio Group**  
before the  
**Michigan House Commerce Committee**  
June 20, 2006

Ladies and Gentlemen:

As you are no doubt already aware, Michigan's new Minimum Wage Law, set to go into effect on October 1<sup>st</sup> will create a problem for the state's broadcasters. While we support Michigan's initiative to raise the Minimum Wage, we have a significant number of well-compensated professional commissioned sales executives who will be negatively impacted by the new law.

Specifically, the new law overrides a number of federal exemptions for overtime compensation of employees. One of these exemptions directly affects my radio station group.

At present, I have eight sales employees who are exempt from requirements for overtime pay. Their income depends on their ability to set and meet individual goals for sales and commissions. It's a system that works well for both sales employees and for stations. Elimination of the overtime exemption would force me to restrict their hours, which, in turn, will restrict their ability to serve our clients in an efficient manner. And that, in turn, will negatively impact their sales billing and ultimately their commissions.

In addition to my own interests as an employer of commission sales personnel, I represent my colleagues in smaller markets who currently work with an additional federal exemption for their on-air employees, news directors, and chief engineers.

The broadcasting profession demands dedication by employees and flexibility in scheduling. Community events, breaking news, local emergencies and engineering problems do not always happen during a regular workday or a predictable schedule. We do not want to see service to our communities limited by the loss of exemptions and the need to restrict the schedules of our key employees.

The loss of the existing overtime exemptions will also mean expensive changes to our entire scheduling, compensation and human resources systems. These are costs that I do not have in my current budget. An immediate resolution of this matter will help me and other employers avoid costly and disruptive changes to our operations.

I appreciate your support on this matter.